Approved For Release 2000/08/29 : CIA-RDP79-01203A000200110003-9

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EDIC/ID-10 Control No. 2114 10 February 1955

MEMORANDUM FOR: Economic Defense Intelligence Committee

FROM

: Executive Secretary, EDIC

SUBJECT

: ONI Contribution - "Finnish Merchant Ships

for Communist China"

1. The attached are furnished by the ONI member through the OSD member for EDIC (EDAC). Attachment No. 1 may not be released to foreign nationals;

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- 2. Information is provided on Chinese Communist efforts to purchase old ships from shipowners in Finland, Denmark, Sweden and Norway. Reference is made to the Finnish vessels AUNE H., VAASA, PETSAMO, KOTKA, and WERGUS.
- 3. The Department of State in DEPTEL Helsinki 278 of 1 February 1955 referred to the issuance of Finnish expert licenses for sale of six vessels to Communist China and to an earlier DEPTEL which suggested "Finns should be dissuaded sell any type ships Red China contrary UN embargo". DEPTEL 278 instructs the Embassy to explore with the Finnish Government various methods of preventing the sale of these vessels to Communist China and to attempt to get "as firm assurance as possible there will be no additional licenses granted for any ship sales to China." The American Embassy in Helsinki subsequently has advised that the Chinese Communists have refused recent Finnish offers to sell five vessels for which export licenses have been granted by Finland.

State Dept. declassification & release instructions on file

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4. The attached ONI contribution is tabled (with clearances as indicated) to provide action agencies with a concise restatement of the problem to assist in exploring with the British whether actual delivery of the Finnish ships to Communist China can be impeded by denial of bunkers or other measures.

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Attachments

No. 1 - Chinese Communist Purchases of Merchant Ships in Scandinavian Countries

No. 2 - Delivery of Finnish Mership WERGUS to Communist China

Distribution

Cat. B - (5,8-13)(S/TR)

C - (1-3)

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